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BEFORE

THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 90-10-G - ORDER NO. 91-46

JANUARY 17, 1991

IN RE: Request of South Carolina Electric ) ORDER APPROVING  
and Gas Company for Approval of ) REDUCTION OF  
Reduction of Gas Rates ) GAS RATES

On December 14, 1990, South Carolina Electric and Gas Company (SCE&G) filed with the Public Service Commission of South Carolina (the Commission) a letter requesting that the Commission approve a reduction of SCE&G's gas rates.

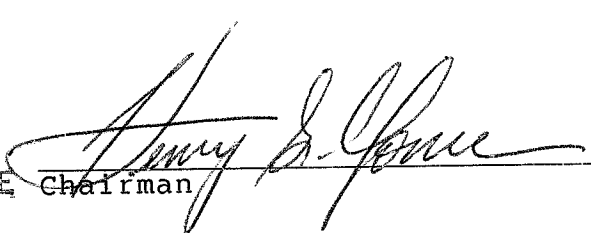
SCE&G was advised by its supplier of natural gas, South Carolina Pipeline Corporation ("Pipeline"), that SCE&G's cost of gas will be reduced as a consequence of certain adjustments in the cost of gas paid by Pipeline to Southern Natural Gas Company, Pipeline's principal interstate gas supplier. The reductions in the cost of gas were to be effective on and after December 1, 1990, and would result in a change in the cost of gas incorporated in the testimony and exhibits of the Company as presented to the Commission during the hearing in the above referenced proceeding on October 24, 1990.

As a consequence of the change in the cost of gas, SCE&G requests that the Commission review and adjust appropriately the cost of gas incorporated in the Company's firm tariffs approved by the Commission's Order No. 90-1060, dated November 14, 1990.

SCE&G considers that the change in its projected cost of gas recovery balance at October 1991 is sufficient to justify an out-of-period adjustment as authorized generally in Order No. 88-578, issued by the Commission in Docket No. 87-426-G, which established the present purchased gas adjustment and cost of gas recovery procedure. Based upon the described changes, SCE&G submits that a cost of gas of \$0.45625 per therm should be approved effective beginning with the first billing cycle for the month of January 1991.

The Commission finds, based on a review of the change in the cost of gas from Pipeline, updated figures on SCE&G's cost of gas since the October 24, 1990 hearing, and the effect of the redesignation of the contract volumes by Pipeline's firm customers in accordance with Commission order 90-729, that the reduction of SCE&G's natural gas rates should be approved. SCE&G's gas costs will be reduced from \$.48716 per therm to \$.45625 per therm beginning with the first billing cycle of January 1991. Also, SCE&G must file new rate schedules and tariffs within five days of the date of this order.

BY ORDER OF THE COMMISSION:

  
VICE Chairman

ATTEST:

  
Executive Director

(SEAL)